

PRESS RELEASE

FOR IMMEDIATE RELEASE

Contact: Preston Bair, Chief Financial Officer
Telephone: (740) 622-0444

**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER AND YEAR ENDED JUNE 30, 2008**

Coshocton, Ohio, July 23, 2008 – Home Loan Financial Corporation (OTCBB: HLFN), the parent company of The Home Loan Savings Bank, today announced a net income of \$522,000, or \$.35 basic and diluted earnings per share, for the quarter ended June 30, 2008 compared to net income of \$35,000, or \$.02 basic and diluted earnings per share for the quarter ended June 30, 2007, an increase of \$487,000.

Net income for the year ended June 30, 2008 was \$1,402,000, or \$.94 basic and diluted earnings per share, compared to \$1,018,000 for the year ended June 30, 2007, or \$.69 basic and diluted earnings per share, an increase of \$384,000, or 37.8%.

The increase in earnings for the year ended June 30, 2008 compared with June 30, 2007 was primarily attributable to a decrease in the provision for loan losses of \$458,000 and an increase of \$127,000 in net interest income, partially offset by an increase in noninterest expense of \$130,000 and an increase in income tax expense of \$108,000. The provision was funded heavily in fiscal year 2007 to allow for general economic conditions in HLFN's market area. The provision was also funded in fiscal year 2008, to a lesser extent, in order to maintain an adequate provision for loan losses.

The net interest margin for the year ended June 30, 2008 was 3.63%. Return on average equity for the year ended June 30, 2008 was 7.46% compared to 5.41% for the year ended June 30, 2007, an increase of 205 basis points, or 37.9%. Return on average assets for the year ended June 30, 2008 was 0.88% compared to 0.64% for the year ended June 30, 2007, an increase of 24 basis points, or 37.5%. The book value of HLFN's common stock was \$12.63 per share as of June 30, 2008 compared to \$12.38 per share as of June 30, 2007, an increase of \$0.25, or 2.0%.

Total assets at June 30, 2008 were \$167.2 million compared to June 30, 2007 assets of \$159.0 million, an increase of \$8.2 million, or 5.2%. Total deposits at June 30, 2008 were \$107.9 million compared to June 30, 2007 deposits of \$110.4 million, a decrease of \$2.5 million, or 2.3%. Total equity at June 30, 2008 was \$18.8 million compared to \$18.5 million at June 30, 2007, an increase of \$268,000.

Home Loan Financial Corporation and The Home Loan Savings Bank are headquartered at 413 Main Street, Coshocton, Ohio 43812. The Home Loan Savings Bank has two offices located in Coshocton, Ohio, a branch in West Lafayette, Ohio and a branch in Mount Vernon, Ohio.

HOME LOAN FINANCIAL CORPORATION
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
ASSETS		
Cash and cash equivalents	\$ 4,138,262	\$ 6,405,334
Interest-bearing time deposits	2,619,781	636,150
Securities available for sale	7,653,759	7,573,864
Mortgage-backed securities available for sale	7,435,443	5,861,198
Federal Home Loan Bank stock	2,627,900	2,559,500
Loans, net	134,669,371	127,423,992
Premises and equipment	3,139,080	3,249,277
Accrued interest receivable	907,589	939,630
Bank owned life insurance	3,551,191	3,410,108
Other assets	407,661	903,164
Total assets	<u>\$167,150,038</u>	<u>\$158,962,217</u>
 LIABILITIES		
Deposits	\$ 107,888,805	\$ 110,390,189
Federal Home Loan Bank advances	38,939,957	28,508,349
Accrued interest payable	749,750	844,403
Accrued expenses and other liabilities	783,058	698,736
Total liabilities	148,361,570	140,441,677
 SHAREHOLDERS' EQUITY		
Preferred stock, no par value, 500,000 shares authorized, none outstanding	--	--
Common stock, no par value, 9,500,000 shares authorized, 2,248,250 shares issued	--	--
Additional paid-in capital	15,001,713	14,953,288
Retained earnings	13,633,118	13,432,381
Unearned employee stock ownership plan shares	--	--
Unearned recognition and retention plan shares	--	--
Treasury stock, at cost –760,899 shares at June 30, 2008 and 751,909 shares at June 30, 2007	(9,854,024)	(9,735,547)
Accumulated other comprehensive income	7,660	(129,582)
Total shareholders' equity	<u>18,788,468</u>	<u>18,520,540</u>
Total liabilities and shareholders' equity	<u>\$167,150,038</u>	<u>\$158,962,217</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Year Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Total interest income	\$2,512,630	\$2,615,747	\$10,251,079	\$10,361,914
Total interest expense	<u>1,109,098</u>	<u>1,312,249</u>	<u>4,885,103</u>	<u>5,123,196</u>
Net interest income	1,403,532	1,303,498	5,365,976	5,238,718
Provision for loan losses	<u>70,000</u>	<u>535,000</u>	<u>302,000</u>	<u>760,000</u>
Net interest income after provision for loan losses	1,333,532	768,498	5,063,976	4,478,718
Total noninterest income	287,403	291,069	1,088,053	1,050,986
Total noninterest expense	<u>1,013,427</u>	<u>1,118,052</u>	<u>4,209,439</u>	<u>4,079,801</u>
Income before income tax expense	607,508	(58,485)	1,942,591	1,449,903
Income tax expense	<u>85,800</u>	<u>(93,756)</u>	<u>540,300</u>	<u>432,084</u>
Net income	<u>\$ 521,708</u>	<u>\$ 35,271</u>	<u>\$ 1,402,291</u>	<u>\$ 1,017,819</u>
Basic earnings per share	<u>\$.35</u>	<u>\$.02</u>	<u>\$.94</u>	<u>\$.69</u>
Diluted earnings per share	<u>\$.35</u>	<u>\$.02</u>	<u>\$.94</u>	<u>\$.69</u>

KEY OPERATING RATIOS

	At or For The		At or For The	
	Three Months Ended		Year Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Net interest margin	3.76%	3.55%	3.63%	3.58%
Return on average assets	1.27%	0.09%	0.88%	0.64%
Return on average equity	11.06%	0.75%	7.46%	5.41%
Total equity to total assets	11.24%	11.65%	11.24%	11.65%
Common shares outstanding	1,487,351	1,496,341	1,487,351	1,496,341
Book value per share	\$12.63	\$12.38	\$12.63	\$12.38
Nonperforming assets to total assets	1.36%	1.89%	1.36%	1.89%